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Attachment to
USIB-D-43.4/1
29 September 1958

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MEMORANDUM FOR : [REDACTED] Secretary

SUBJECT : Fourth Semi-Annual Report of the
Ad Hoc Committee on Exchanges

This Semi-Annual Report of the Ad Hoc Committee on Exchanges is submitted in compliance with the instructions of the Intelligence Board in connection with the establishment of the Ad Hoc Committee. All members have concurred in the report.

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Chairman
Ad Hoc Committee on Exchanges

26 September 1958

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Fourth Semi-Annual Report of
The Ad Hoc Committee on Exchanges

I. Authorization

The IAC Ad Hoc Committee on Exchanges was established pursuant to IAC action of 28 February 1956, for the purpose of maximizing the intelligence yield from East-West delegation exchanges. [Note: Subsequent to the reporting period, the IAC expanded the Committee's area of responsibility to include release of materiel.] IAC-D-103 has served as a guide and general terms of reference.

II. Organization

The Committee consists of representatives from the Department of State, Army, Navy, Air Force, the Joint Staff, CIA, and AEC. USIA also attends on a regular basis. CIA provides the Chairman and the Secretariat. The Committee does not have subcommittee structure but seeks the advice of existing substantive committees or subcommittees of IAC or appoints ad hoc groups for cases in which no extant group is competent.

III. Aims and Activities

This report covers the period from 1 February to 31 July 1958. The tempo of exchange activity and detailed negotiations increased substantially following the signing of the 27 January 1958 US-USSR Exchange Agreement. The impetus is provided by the efforts of the Department of State to implement the agreement and the increased public interest resulting in large part from the fact that the publicized government encouragement of exchanges in connection with the agreement came during the period of active concern over Soviet technological progress. In contrast to the prior eight-month period when only three US-USSR exchanges involving twenty-five US travelers were carried out, this six-month period has seen the inception of at least one end of fourteen different exchanges involving approximately seventy-four US travelers. In addition, negotiations are in progress on at least a dozen other significant exchanges and many others are in various stages of preparation.

Many of the projects previously reviewed by the Committee have become actual exchanges or are in advanced stages of negotiation. A large part of the Committee's activity has been directed toward the intelligence support for these proposals. Specifically the principal activities were as follows:

a. Advising the Department of State on the intelligence aspects of exchanges and exchange proposals. Proposals covering eleven widely diverse subjects, ranging from anthropology to crystallography, were reviewed at the request of the Department of State.

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In addition to the specific items, general guidelines were laid down regarding the intelligence viewpoint concerning exchanges of professors and students, conference attendance, and interpreters. The academic exchanges are regarded as generally advantageous whereas non-reciprocal conference attendance by Soviets, in those cases in which tours and closed areas are not involved, is believed to be "not seriously disadvantageous." The fact that full proceedings are usually published and circulated widely limits the Soviet gain to be realized by attendance although contacts and conversations with US participants are undoubtedly rewarding. On the other hand, the Committee noted that the Soviets are reluctant to provide adequate reciprocity for conference attendance and connected tours in certain fields and urged that any proposal in those fields be considered individually. The Department of State policy of not permitting Soviet delegations to bring their own interpreters was endorsed on the grounds that the US has not been able to supply interpreters with its delegations and that the Soviet interpreters restrict US intelligence collection from Soviet delegations in the US.

In the case of the series of Agricultural exchanges, it was judged necessary to warn strongly that the conditions leading to a US net advantage assessment were not being imposed. Efforts were made to correct the imbalance by briefing the US delegations to make strong representations for information and to indicate clearly dissatisfaction with evasions or refusals. The developments are being monitored closely with the intention of recommending alterations in the US tours if Soviet recalcitrance persists.

b. Suggesting exchange proposals for US initiative. At the request of the Critical Collection Problems Committee, the Committee is again considering a proposal for exchanges in guided missiles fields. With this single exception, intelligence initiative has been supplied through individual agencies arranging for contractors or consultants to make private proposals to the Soviets, usually through the Department of State. Some further coordination is necessary in this regard.

c. Assisting in the carrying out of exchanges. The preparation and negotiation of an exchange can be a long complicated process, particularly when plant visits are involved. A juggling of intelligence targets, private sponsor desires, and internal security concerns is involved on the US side and must be repeated for each proposal and counterproposal in each exchange. The Committee has provided technical advice to the Department by furnishing an appropriate intelligence specialist for each project of substantial intelligence interest. This advice does not include internal security matters which are handled by other groups. The

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usual spirit of independence, the instinctive hospitality, and lack of knowledge of the USSR on the part of the US citizens involved frequently results in a desire on their part to comply with Soviet wishes regarding the tour, while at the same time accepting Soviet excuses for not permitting access on the tour to areas or information which the Soviets wish to conceal. This is a source of concern to the Committee because in the course of frequent changes in the arrangements, the qualifications and reservations contained in the net advantage assessment can be overlooked. The East-West Contacts Staff, Department of State is alert to this problem and experience is expected to improve the situation.

d. Coordinating intelligence interest and activities.

The negotiations over many of the exchanges have been concluded only at the kick-off time, indeed in some cases only after the game was well under way. Since the briefings must ideally be based on the actual places to be visited, they have been difficult to organize. The disadvantage caused by the protracted negotiations has in some cases been increased by coordination failures. It is believed that the procedures as recommended by the Committee for briefing and debriefing are adequate and that renewed effort at implementation of these procedures by the participating agencies will correct the situation. The Department of State receives Committee support in its efforts to bring about a more favorable situation in regard to timing.

IV. Prospects and Emerging Problems

The vastly increased activity forecast in the prior Semi-Annual Report seems likely to continue, with seasonal fluctuations, during the next reporting period. In one instance, however, little progress has been made: Under the existing Exchange Agreement, a specific scientific exchange program is to be developed at a meeting between the leaders of the US and Soviet National Academies of Sciences. In fact, Soviet scientists have recently said that they will not engage in such a program until the meeting takes place. This meeting may take place sometime in the Fall of 1958 and should form the basis for a scientific exchange program. This Committee is concerned over two aspects of the present situation: (1) The fact that no organized program has been initiated, and (2) that some consideration is being given to abandoning the principle of specific reciprocity in favor of a constant effort to maintain an equitable balance between the total visits with no concurrent plan to assess the balance. The Committee is advising the Department of State concerning intelligence interests in this matter.

An additional source of concern is the commercial program. The Soviets have started to send some delegations to purchase equipment.

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These have not been subject to reciprocity and have been controlled only loosely because the US Government has felt constrained to allow private business opportunities for profit. Should the Soviets choose to exploit this situation, they could arrange many more visits without granting reciprocity. The Committee will consider a plan to counteract this disadvantage.

It seems worthwhile to mention that there are three other areas in which Soviet recalcitrance is apparent and limiting:

- a. Few US delegations are allowed into closed areas, even on a reciprocal basis.
- b. They have been unwilling to supply a list of conferences taking place in the USSR.
- c. They are unwilling to associate themselves with activities having military sponsorship.

It is planned that a major evaluation of the program will be prepared in late 1958. This should provide assistance in formulating the 1959 Exchange Program. In addition, an attempt will be made to bring about better internal intelligence community coordination as indicated above.

The general view is that the known facts augur well for the future intelligence potential of the program. Direct exposure of exchange participants to Soviet tactics has been educational in many cases, and the US public by and large is showing an increased willingness to cooperate with the Department of State in establishing a controlled program which will improve the opportunities to acquire intelligence.

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